



New Copy Senate

General Assembly

File No. 179

February Session, 2014

Substitute Senate Bill No. 363

Senate, March 27, 2014

The Committee on Housing reported through SEN. BARTOLOMEO of the 13th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT TRANSFERRING FUNDS DEPOSITED IN THE COMMUNITY INVESTMENT ACCOUNT TO THE DEPARTMENT OF HOUSING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-66aa of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 [(a)] There is established, within the General Fund, a separate,
4 nonlapsing account to be known as the "community investment
5 account". The account shall contain any moneys required by law to be
6 deposited in the account. The funds in the account shall be distributed
7 every three months as follows: (1) Ten dollars of each fee credited to
8 said account shall be deposited into the agriculture sustainability
9 account established pursuant to section 4-66cc and, then, of the
10 remaining funds, (2) twenty-five per cent to the Department of
11 Economic and Community Development to use as follows: (A) Two
12 hundred thousand dollars, annually, to supplement the technical

13 assistance and preservation activities of the Connecticut Trust for
14 Historic Preservation, established pursuant to special act 75-93, and (B)
15 the remainder to supplement historic preservation activities as
16 provided in sections 10-409 to 10-415, inclusive; (3) twenty-five per
17 cent to the [Connecticut Housing Finance Authority] Department of
18 Housing to supplement new or existing affordable housing programs;
19 (4) twenty-five per cent to the Department of Energy and
20 Environmental Protection for municipal open space grants; and (5)
21 twenty-five per cent to the Department of Agriculture to use as
22 follows: (A) Five hundred thousand dollars annually for the
23 agricultural viability grant program established pursuant to section 22-
24 26j; (B) five hundred thousand dollars annually for the farm transition
25 program established pursuant to section 22-26k; (C) one hundred
26 thousand dollars annually to encourage the sale of Connecticut Grown
27 food to schools, restaurants, retailers and other institutions and
28 businesses in the state; (D) seventy-five thousand dollars annually for
29 the Connecticut farm link program established pursuant to section 22-
30 26l; (E) forty-seven thousand five hundred dollars annually for the
31 Seafood Advisory Council established pursuant to section 22-455; (F)
32 forty-seven thousand five hundred dollars annually for the
33 Connecticut Farm Wine Development Council established pursuant to
34 section 22-26c; (G) twenty-five thousand dollars annually to the
35 Connecticut Food Policy Council established pursuant to section 22-
36 456; and (H) the remainder for farmland preservation programs
37 pursuant to chapter 422. Each agency receiving funds under this
38 section may use not more than ten per cent of such funds for
39 administration of the programs for which the funds were provided.

40 [(b) Notwithstanding the provisions of subsection (a) of this section,
41 from July 1, 2009, until July 1, 2011, the funds in the community
42 investment account established pursuant to said subsection shall be
43 distributed every three months as follows: (1) Twenty per cent to the
44 Department of Economic and Community Development to use as
45 follows: (A) Two hundred thousand dollars, annually, to supplement
46 the technical assistance and preservation activities of the Connecticut
47 Trust for Historic Preservation, established pursuant to special act 75-

48 93, and (B) the remainder to supplement historic preservation activities
 49 as provided in sections 10-409 to 10-415, inclusive; (2) twenty per cent
 50 to the Connecticut Housing Finance Authority to supplement new or
 51 existing affordable housing programs; (3) twenty per cent to the
 52 Department of Energy and Environmental Protection for municipal
 53 open space grants; and (4) forty per cent to the Department of
 54 Agriculture to use as follows: (A) One hundred twenty-five thousand
 55 dollars, quarterly, for the agricultural viability grant program
 56 established pursuant to section 22-26j; (B) one hundred twenty-five
 57 thousand dollars, quarterly, for the farm transition program
 58 established pursuant to section 22-26k; (C) twenty-five thousand
 59 dollars, quarterly, to encourage the sale of Connecticut Grown food to
 60 schools, restaurants, retailers, and other institutions and businesses in
 61 the state; (D) eighteen thousand seven hundred fifty dollars, quarterly,
 62 for the Connecticut farm link program established pursuant to section
 63 22-26l; (E) twelve thousand five hundred dollars, quarterly, for Urban
 64 Oaks Organic Farm; (F) eleven thousand eight hundred seventy-five
 65 dollars, quarterly, for the Seafood Advisory Council established
 66 pursuant to section 22-455; (G) eleven thousand eight hundred
 67 seventy-five dollars, quarterly, to the Connecticut Farm Wine
 68 Development Council established pursuant to section 22-26c; (H) six
 69 thousand two hundred fifty dollars, quarterly, to the Connecticut Food
 70 Policy Council established pursuant to section 22-456; and (I) the
 71 remainder each quarter to the agricultural sustainability account
 72 established pursuant to section 4-66c. Each agency receiving funds
 73 under this section may use not more than ten per cent of such funds
 74 for administration of the programs for which the funds were provided,
 75 except the Department of Agriculture may also use such funds for the
 76 administration of farmland preservation programs pursuant to chapter
 77 422.]

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	4-66aa
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Statement of Legislative Commissioners:

The effective date of the bill was changed from "October 1, 2014" to "Effective from passage" to reflect the action of the committee.

HSG *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14\$	FY 15 \$
Connecticut Housing Finance Authority	Community Investment Account - Revenue Loss	(1,000,000)	(4,000,000)
Department of Housing	Community Investment Account - Revenue Gain	1,000,000	4,000,000

Municipal Impact: None

Explanation

The bill redirects revenue that the Connecticut Housing Finance Authority (CHFA) receives through the Community Investment Account to the Department of Housing (DOH). There is no net fiscal impact to the state as the revenue will continue to be deposited into the non-appropriated Community Investment Account with the intended use of the funds unchanged in the bill.¹

As a point of reference, CHFA received funding of \$4 million in the Community Investment Account in FY 13.

The Out Years

The annualized ongoing fiscal impact identified above would

¹ Funds in the Community Investment Account do not lapse at the end of the fiscal year and may accumulate in a balance. It is therefore anticipated that any unexpended funding in the CHFA account will not transfer to DOH, as the bill does not address a potential balance in the account. The balance at the end of FY 13 is \$1.2 million.

continue into the future subject to inflation.

Sources: 2013 Annual Report of the State Comptroller - Budgetary Basis

OLR Bill Analysis**sSB 363*****AN ACT TRANSFERRING FUNDS DEPOSITED IN THE COMMUNITY INVESTMENT ACCOUNT TO THE DEPARTMENT OF HOUSING.*****SUMMARY:**

This bill redirects to the Department of Housing all Community Investment Account funds that the Connecticut Housing Finance Authority (CHFA) currently receives. It also repeals obsolete provisions related to account transfers that occurred between July 1, 2009 and July 1, 2011.

EFFECTIVE DATE: Upon passage

BACKGROUND***Community Investment Account***

The Community Investment Account provides funding for open space, farmland preservation, promoting agriculture, historic preservation, and affordable housing. The account is capitalized through a \$40 land recording fee (CGS § 7-34a (e)). Currently, the fee is distributed as follows: town clerks retain \$1, local governments retain \$3 for local capital improvement projects, and \$36 is remitted to the state treasurer's office. Of the \$36 remitted to the state, \$10 is deposited in the agriculture sustainability account and \$26 is distributed equally among the agriculture, energy and environmental protection, and economic and community development departments and CHFA.

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/13/2014)